

Focus on Fleet

Winter 2006

A publication of the SC Budget and Control Board General Services Division Office of State Fleet Management

There's no such thing as Government money — there is only Taxpayer money.

From the State Fleet Manager

New Year Opportunities

At the start of the New Year we hear a lot about resolutions and other opportunities to improve ourselves and our circumstances. In the Centralization meeting we held in December, we discussed several opportunities for agencies to work toward improving the condition and management of their fleets. We want to focus attention on two opportunities that can offer an immediate benefit in the operation of your fleet.

Many agencies have already capitalized on the opportunity to lease vehicles through State Fleet Management. Leasing vehicles through SFM allows agencies to acquire more vehicles immediately than they could buy through the conventional capital purchase method. Additionally, leasing removes much of the budgeting uncertainty agencies experience with fuel prices and maintenance. Leasing offers agencies flexibility in obtaining vehicles on short notice. Many times we can provide a quality used vehicle until the ordering cycle allows us to purchase a new one. We will include each agency's progress on this initiative as

a part of our periodic reports on Fleet Centralization to the Budget and Control Board.

Another opportunity for your agency to have a positive impact on the overall management of the fleet comes from letting go of your underutilized vehicles. Releasing those vehicles will provide an immediate financial benefit to your fleet operations. First, it will generate funds to replace and maintain other vehicles. Second, you free up money you currently spend to maintain, fuel, and insure those underutilized vehicles for other uses within your fleet. If you are hesitant to sell vehicles, remember that you can get short-term vehicles through other resources such as the SFM Motor Pool and the statewide rental vehicle contract. We encourage agencies to dispose of the underutilized vehicles identified in the Mercury Study.

Finally, we encourage you to look for other opportunities for improvement in your fleets and to share your ideas and thoughts with our staff. If we work together, we can improve fleet management in South Carolina.

—Jeff McCormack State Fleet Manager

COLUMBIA, 24 FEBRUARY: Shop Supervisor Robert Seawright packs up his office at the Central Transportation Maintenance Facility in preparation for the move to 516 Senate Street. Details on page 3.

Photo: Roger Alan, BCB

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Our New Address

State Fleet's move to two new facilities was completed on 13 March.

Please send all future correspondence to our main offices:

South Carolina Budget and Control Board General Services Division State Fleet Management 140 Stoneridge Drive, Suite 650 Columbia, SC 29210

The Shop and Motor Pool are located at:

516 Senate Street Columbia, SC 29201

Please do not send correspondence to that address.

Focus on Safety

New Seatbelt Law in effect beginning in December 2005

Over the course of the last 15 years, South Carolina law on safety belts has been only a secondary enforcement law. That is, law enforcement personnel were not allowed to stop a vehicle solely for a safety belt violation, but could issue a citation for the violation during the course of a traffic stop for another violation. The fine for a safety belt infraction was 25 dollars.

On December 9, 2005, South Carolina's safety belt law was changed to primary enforcement: police can now stop motorists solely for a safety belt violation. However, law enforcement personnel are still forbidden to conduct traffic checkpoints for the purpose of issuing safety belt citations. The fine is still 25 dollars, and the total fine for a driver who has unbuckled passengers in the car cannot exceed 50 dollars. The violation is also not to be reported to the driver's insurance company and will not count as points against the license.

According to statistics provided by the South Carolina Department of Public Safety, 6,712 safety belt citations have been issued during the period between December 9, 2005 and January 6, 2006. Only 2,547 such tickets were given during the preceding month, from November 8 to December 8, 2005.

Traffic fatalities also decreased over the same period last year. From December 10, 2004 to January 7, 2005, there were 83 traffic deaths, of whom 56 (67%) were not wearing

safety belts. From December 9, 2005 to January 6, 2006 there were only 65 traffic deaths, of whom 38 (58%) were not wearing safety belts.

Safety Belt Use on the Rise

More Americans than ever are wearing their safety belts, with usage rates climbing in 34 states this year, according to a press release from the National Highway Traffic Safety Administration. In 2005, safety belt use ranged from 60.8% in Mississippi to 95.3% in Hawaii. Others breaking the 90 percent use barrier included Washington, Nevada, Arizona, Orgeon, Michigan, California, Puerto Rico and Maryland.

More Reason to Buckle Up

As if anyone needed more reason than a law to fasten his safety belt, here is a tidbit from the February 2004 *Safety Focus*, a publication of the National Safety Council.

Using analysis of data from nearly 300,000 fatal crashes over seven years, a study released January 20 [2004] warns that an unbelted passenger seated behind a driver amounts to a "backseat bullet."

In crashes, an unbelted person can slam into the driver and significantly increase both the passenger's and driver's risk of death, according to research conducted by investigators at the Center for Transportation Injury Research, which is affiliated with



Shop Supervisor Robert Seawright and Technician Michael Tucker on Moving Day.

the University of Buffalo and the Calspan UB Research Center in Buffalo, New York.

The data, collected by the National Highway Traffic Safety Administration [NHTSA], showed that the odds of death were almost three times higher for the unbelted passenger and two times higher for the driver. Researchers estimated that a rear seat belt usage rate of 95 percent would save more than 800 lives annually and prevent more than 65,000 injuries.

Governors Claim Speeding Issue Often Ignored

The Governors Highway Safety Association called on the nation to focus more attention on the growing problem of excessive speeding by drivers. GHSA chair Kathryn Swanson said the organization is concerned that speed has become the neglected "stepchild" of highway safety.

State Highway Safety Offices from around the country are experiencing increased problems with speeders. Swanson stated recent research by the Insurance Institute for Highway Safety affirms GHSA's concerns about speeding. The IIHS report issued late in 2003 said that higher travel speeds on both rural and interstate roads are responsible for a roughly 35 percent increase in death rates.

A primary reason for the increase in speeding is Congress's repeal of the national speed limit in 1995. Since then, much of the public has perceived speed limits as mere guidelines. Another is that drivers do not believe speed is as dangerous as other unsafe driving behaviors.

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On the Move

State Fleet Relocates to two Facilities

To make way for rapid growth in the Vista, State Fleet Management is bidding farewell to its home at 1022 Senate Street, where the agency has operated since 1979.

Fleet's Maintenance Facility and the Motor Pool, where state employees go to rent vehicles on a daily basis, have moved to 516 Senate Street near Huger Street. Most of Fleet's administrative offices have moved to the Atrium on Stoneridge Drive.

The decision to split the office was made because the Atrium does not have a suitable facility for operation of a Motor Pool, and the Senate Street facility is much more centrally located for those who need to pick up a vehicle.

The facility on Senate Street represents a unique partnership. The University of South Carolina will move its vehicle garage to the same building, although that transfer has not happened yet. USC needed to find a new home for its vehicle operations because development near the Colonial Center was forcing its shop to move. Instead of



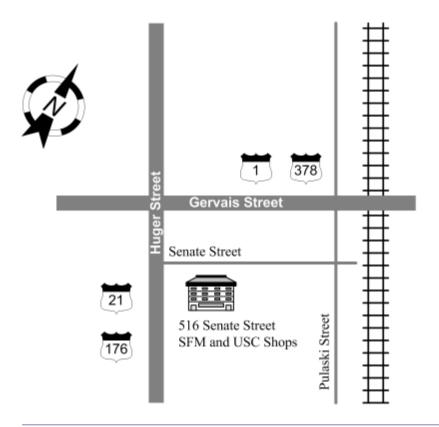
building two new facilities, the Board and University have teamed up to share a location.

The new vehicle shop and rental pool could bring back memories for some folks. The facility is the old City Garage where vehicles towed away by the City of Columbia were stored until fines were paid.

The current State Fleet Management building at 1022 Senate was built in the early 1930s as a garage for the mail delivery trucks of the United States Post Office. State Fleet began leasing the site in 1979 and, after later purchasing the building, made significant improvements to the garage and to the offices.

In 1994, the former State Fleet Manager chose the name State Fleet Management for the organization when it was brought under the aegis of the Office of General Services; changing the name from the Division of Motor Vehicle Management helped to prevent a lot of misdirected phone calls intended for the Department of Motor Vehicles.

Changes in the Vista spurred the state's decision to sell the vehicle garage and find other quarters. The old Fleet facility is across the street from the new Columbia Convention Center and a major hotel that is currently under construction. The whole area has become a centerpiece for Columbia's development, making land in the vicinity valuable. Private investors have purchased the shop but have not disclosed their plans for the site. The old Columbia Fire Department headquarters, also across the street from the old Fleet shop, was put up for sale recently by the city.



Fleet Centralization Begins

Strategy Recommended by Mercury Study

The text of the Budget and Control Board agenda item that was the cause of the meeting follows.

During the September 28, 2004 meeting of the Budget and Control Board, the Office of the Executive Director (OED) was directed to issue an RFP for an independent consultant to conduct a comprehensive study of the state fleet. The study was completed by Mercury Associates, and presented to the Board for information at its May 17, 2005 meeting. The study contained a number of recommendations for the state fleet designed to promote cost effective fleet operations and enhance efficiency. As a result of the May meeting, State Fleet Management (SFM) staff members were directed to review the recommendations and develop a plan for implementation. SFM has reviewed the recommendations and brings forward the following issues for the board to consider. The recommendations from the fleet operations study fall into six primary categories:

- Centralization of State Fleet Management (SFM)
- · Purchasing and Financing Fleet
- Management Information System
- Underutilization Disposal
- Maintenance Consolidation
- Privately Owned Vehicle (POV) Reimbursement

The consultant praised SFM on following industry best practices, and suggested several strategic improvements (within these categories) designed to have the greatest impact on the cost and quality of fleet services. The central theme of this report is to centralize acquisition, ownership, and management of light-duty vehicles. The study indicated that the most effective way to satisfy and implement most of its recommendations would be to use the SFM vehicle lease program. This action would automatically centralize fleet replacement and planning, account for all vehicle costs, ensure commercial service and repairs are obtained through the CVRP, and make certain

that vehicles are disposed of once a replacement is delivered. Moving agencies to the SFM lease program will provide newer vehicles and serve to reduce the overall maintenance costs for the state fleet.

Under this scenario, agencies would gradually move from ownership to leasing as they replace vehicles. To ensure a smooth switch from ownership to leasing, SFM proposes to phase in fleet replacement to approximately 20% of each agency's existing fleet per year until the fleet is up to date. This approach will facilitate an efficient transition from agencies as they begin to adjust their budgets to accommodate regular lease payments. SFM prefers that agencies begin this process voluntarily. While there will be some financial impact to agencies, and they will lose some control over their respective fleets, this is more than offset by a more modern and efficient fleet made available to agencies for their established missions.

To effectuate the centralization will involve activating the financing and purchasing plan, improving the SFM Management Information System and helping all agencies dispose of underutilized vehicles. One aspect of this process that is tantamount to success is the fact that agencies establish recurring budgets for fleet management. This can be accomplished by:

- · Reorder existing budgets.
- Receive new appropriations and authorizations as needed.
- Apply proceeds of disposal of vehicles to plan.

Consolidation of Maintenance

A number of recommendations dealt with the closure or consolidation of maintenance facilities in and around the Columbia metropolitan area. SFM agrees that there are a number of opportunities for consolidation. The report proposes eliminating duplicate services that are within the same general vicinity, which offers significant opportunities for cost savings and reallocation of resources. Before taking any such direct

action the potential impact should be discussed in detail with each affected agency allowing us to gauge the effect fleet centralization will have. Recommendations relating to improvements in the State's Shop Certification program are welcomed by SFM. SFM believes that the Shop Certification program is the best way to improve shop operations irrespective of the shop consolidation issues. Accordingly, SFM will place priority on establishing the certification program improvements first.

POV Reimbursement

The fleet study made several recommendations concerning POV reimbursements. The study pointed out that agencies need an easy way to determine the lowest cost when planning for travel needs. Following one of the recommendations, the SFM motor pool has started to develop a computerized tool that will be available to agencies via the motor pool reservation web site. The tool will compare SFM motor pool costs against the current rental contract pricing and POV reimbursement options. In another recommendation related to motor pool operations, the report also suggested that SFM's motor pool begin tracking request turndowns and routinely issuing certificates of non-availability whenever they decline a request. Tracking turndowns will capture additional demand that is necessary to calculate the appropriate supply of vehicles. SFM currently issues certificates of non-availability upon request from agencies. SFM has started to manually track turndowns, and plans to use the new management information system to do this electronically.

Many of the recommendations in this section relate directly to travel policies and guidelines. Accordingly, SFM seeks additional comment from the Comptroller General's office on these recommendations.

Got Car?

State Fleet Presents its new Rental Rates Calculator

These days, gasoline is expensive (although, as noted in our last issue, only about the historic average at the moment). It makes sense to plan every business trip carefully to minimize fuel expense.

But fuel prices are not the only consideration in choosing how to get from point A to point B. You also have to ascertain the best choice of vehicle. Should you get a rental car from Enterprise? The State does have a contract with them, so that's a possibility. Or should you rent a vehicle from the State Fleet Management Motor Pool? Or finally, should you use your own vehicle? There are advantages and disadvantages to each of these options.

The State Fleet Management Motor Pool is usually best for short-term rental. However, on rare occasion, State Fleet may not have a motor pool vehicle available at the time you need to travel. That leaves two other options: Enterprise Rent-a-Car or your personal vehicle (POV). The State has a contract with Enterprise to provide rental cars when no vehicle is available through a State motor pool (not just ours, but those operated by other State agencies or Universities). The contract states explicitly:

State employees considering use of this contract should follow all internal policies and procedures governing the use of rental vehicles set forth by their agency.

The contract is to be utilized by State Fleet Management for the Charleston and Columbia areas only in the event it is unable to furnish a fleet vehicle when requested by an agency. [Emphasis added.]

Which option is best?

The SFM Motor Pool is generally the least expensive option for short-term rental and for short distances. The motor pool is centrally located (relocated to 516 Senate Street), the rates are low, and most important of all, the fuel is included in the price of the rental. You pay a daily rate and a mileage rate, but don't have to purchase fuel on your own dime. When you rent a ve-

hicle at the SFM Motor Pool, you receive a credit card that can be used at most fueling stations in South Carolina (and around the country as well); all you have to do is fill the vehicle up when you need it. The fuel is included in the mileage rate.

Enterprise, which should be used as a last resort, has a higher flate rate per day, but doesn't charge for mileage. However, you are responsible for the fuel, and it doesn't take very many miles for that cost to go quite high. Enterprise also requires considerable notice (72 hours) to rent a car on the State contract, so you generally can't just pick up the phone and get a vehicle immediately.

Personnel Owned Vehicles (POVs) are another option for short-term travel. The use of your own vehicle is not the preferred method of transportation, but sometimes it is the only choice. If no State vehicle is available, you can be reimbursed \$0.345 per mile. If a State vehicle is available, but you choose to use your own vehicle anyway, you will be reimbursed \$0.305 per mile.

In the end, the decision about which vehicle to use is left to agency management. Some agencies prefer the use of the State Fleet motor pool, while others have their own motor pools. Yet other agencies prefer that employees use their personal vehicles for out-of-town travel.

Now, however, State Fleet Management is providing an online tool, developed in conjunction with General Services, to help you make the best choice. It is the new SFM Rental Calculator. The Rental Calculator asks a few simple questions about the type of vehicle you need, how far you mean to travel, how many days you will need the vehicle. Based on that input, the Calculator compares the three options described above (SFM Motor Pool, Enterprise, and the two kinds of POV) and highlights the best result.

To access our Rental Calculator, simply go to our Web site at http://www.statefleet.sc.gov and click on "Rental Calculator" in the left sidebar.

If you have any questions about the availability of State motor pool vehicles, ask your transportation coordinator or call Pat Goodwin at (803) 737-1517. To see whether a State Fleet motor pool vehicle is available, submit a reservation request from our Web site or call the motor pool at (803) 737-1516. And if you have any questions about the SFM Rental Calculator, contact Jonathan Eason at (803) 737-1239 or E-mail JEason@gs.sc.gov.



General Services Division State Fleet Management 140 Stoneridge Drive, Ste 650 Columbia, SC 29210



Staff News

Welcome!

State Fleet Management is happy to welcome new receptionist **Rebecca Grice**. Ms. Grice started at the beginning of March and will be taking over the front desk from **Angelé Patton**, who is moving to a different position.

Welcome Back...

...to Lin Wright, who returns to SFM from Surplus Property on 3 March. Lin came to work with State Fleet in 1995, leaving in 1998 to join the Materials Management Office as a procurement officer. He was manager of Surplus Property from 2000 to 2006. Lin will be overseeing the Commercial Vendor Repair Program, taking over for the happily retired Bob Amburgey.

...and to **Rob Malpass**, who is returning to State Fleet on 17 March. Rob left us in 2003 for a position at Retirement Systems. Rob will take over his former position as Fuel Card Manager.

More Staff News

Marie Orris of the Program Support Team will be filling in for Kristi Shull in the CVRP scanning area. In the meantime, Angelé Patton will be cross-training in the Accounts Payable area.

Karen Wilkes, who has done yeoman's work in the Fuel Card area for quite some time, will now be reporting to the Program Support Team. She will serve as an Administrative Assistant, handling things like the administrative portion of the Fleet Safety Officer's position and other duties as well.

Our New Address

Because we want to make sure everyone knows it, State Fleet's move to two new facilities will be completed by 13 March.

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